

Message Text

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ACTION EB-11

INFO OCT-01 AF-10 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 MC-02 L-03 DODE-00 DRC-01

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R 230640Z MAR 74

FM AMEMBASSY DAR ES SALAAM

TO SECSTATE WASHDC 5020

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DEPT PASS COMMERCE, EXIM BANK

E.O. 11652: N/A

TAGS: ETRN, TZ

SUBJECT: TANGOV INTEREST IN PURCHASE OF BELL HELICOPTERS

REF: (A) STATE 058842, MARCH 30, 1973 (B) STATE 245169, DECEMBER 15,
1973

1. FOR COMMERCE: FOR OVER YEAR (SEE REF A) TANZANIAN MINISTRY OF DEFENSE HAS BEEN NEGOTIATING PURCHASE OF FOUR BELL 205 HELICOPTERS. MINDEF LOGISTICS AND EQUIPMENT CHIEF (MITHA) TOLD EMBOFF THAT NEGOTIATIONS HAVE BEEN CARRIED ON THROUGH PROCUREMENT DIVISION OF CANADIAN MINISTRY OF DEFENSE AND HAS NOT FOUND BELL (PERHAPS BECAUSE OF CIRCUITOUS ROUTE) RESPONSIVE. CONSEQUENTLY, AND APPARENTLY RELUCTANTLY, MINDEF NOW DISCUSSING PURCHASE OF HELICOPTERS FROM AGOSTA-BELL IN ITALY. PLEASE PASS FOLLOWING TO BELL.

2. MITHA CLAIMS BELL NOT FORTHCOMING ON TWO POINTS: 1) FINANCING AND 2) DIRECT SUPPLY OF SPARES. REGARDING LATTER, MITHA EXPRESSED OPINION IT WOULD NOT ONLY BE DIFFICULT FOR TANZANIA TO DEPEND ON KENYAN AGENT FOR SPARES BUT EXPENSIVE. HE HAS FOUND, IN PAST, THAT COST OF BUYING SPARES FROM AGENT CAN BE 50-100 PERCENT HIGHER

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THAN WHEN DEALING DIRECTLY WITH MANUFACTURER.

3. DO NOT KNOW BELL SIDE OF DISCUSSION BUT PRESUMABLY US COMPANY WOULD, IN LAST ANALYSIS, RATHER SEE BELL MACHINES SOLD HERE THAN THOSE OF AGOSTA-BELL. AS POSSIBLE SOLUTION TO SPARES SUPPLY PROBLEM, WOULD BELL CONSIDER APPOINTING TANZANIAN COMPANY (I.E. STATE-OWNED TRADING COMPANY) TO ACT IN THIS CAPACITY. PRESUMABLY STATE TRADING COMPANY WOULD DELEGATE ITS RESPONSIBILITY TO MINISTRY OF DEFENSE OR PERFORM FUNCTION ON COST-PLUS COMMISSION BASIS. SERVICE RESPONSIBILITY COULD BE RETAINED BY BELL'S NAIROBI AGENT (WHO, INCIDENTALLY, DOES NOT TAKE, SO FAR AS WE CAN SEE, AN ACTIVE INTEREST IN TANZANIAN MARKET FOR BELL PRODUCTS).

4. FOR EXIMBANK: RE FINANCING EMBOFF SUMMARIZED SECTION 2 (B) (4) OF AMENDMENT (1971) EXPORT-IMPORT BANK ACT OF 1945 AND EXPLAINED TO MITHA THAT EXIMBANK MIGHT NOT BE ABLE TO FINANCE HELICOPTER PURCHASE. MITHA, IN REPLY, REFERRED TO EXIMBANK'S WILLINGNESS TO FINANCE PURCHASE OF BELL HELICOPTERS BY TANZANIA MINISTRY OF HOME AFFAIRS (SEE PRELIMINARY COMMITMENT LETTER NO. 74-0-2733 TO CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST, DATED JANUARY 24, 1974)

QUESTIONS: (A) RE PREF A, DO EXIMBANK'S PRACTICES PERMIT IT TO FINANCE HELICOPTER PURCHASES BY MINISTRY OF DEFENSE IF AIRCRAFT ARE TO BE USED, (AS MITHA CLAIMS) ON SEARCH AND RESCUE AND MEDICAL EVACUATION OPERATIONS? (B) WOULD IT BE POSSIBLE TO RE-NEGOTIATE MINISTRY OF HOME AFFAIRS AGREEMENT TO INCLUDE MINISTRY OF DEFENSE PURCHASE AND PLACE ENTIRE PURCHASE UNDER EGIS OF MIN FIN?
CARTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROCUREMENT, SPARE PARTS, HELICOPTERS, AIRCRAFT SALES, EXPORT LICENSES, EXPORT CONTROLS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974DARES00912
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740063-0088
From: DAR ES SALAAM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740320/aaaaasbq.tel
Line Count: 88
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) STATE 058842, MARCH 30, 1973 (B)
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 29 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 AUG 2002 by shawdg>; APPROVED <05-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TANGOV INTEREST IN PURCHASE OF BELL HELICOPTERS
TAGS: ETRN, TZ
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005